EXHIBIT 4

Gramercy Emerging Markets Fund
Monthly Client Report

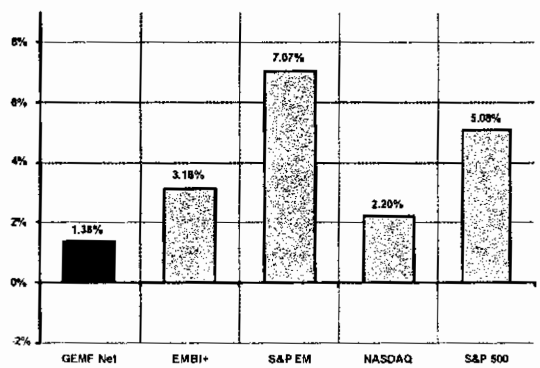
December 2003 Report - GEMF*	
Month to date:	1.38%**
Year to date:	9.63%**
January 12, 2004	

Gramercy

Performance Overview

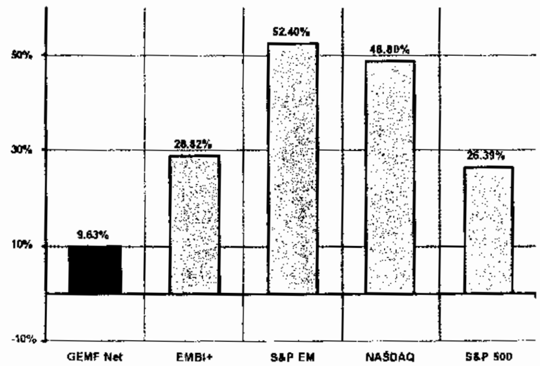
For the month of December 2003, Gramercy Emerging Markets Fund* was up 1.38%** net of all fees. In comparison, the JPMorgan Emerging Market Bond Index Plus (EMBI+) was up 3.16%*** and the S&P 500 index was up 5.08%*** for the same period.

December 2003 Performance



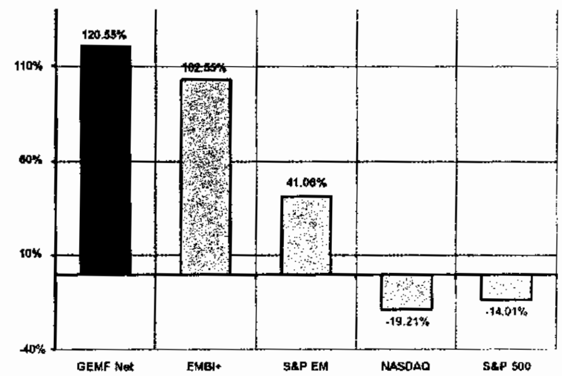
Gramercy's year to date return*, net of all fees, was 9.63%** compared to 28.82%*** for the EMBI+ and 26.39%*** for the S&P 500.

December 2003 Year to Date Performance



On an inception to date basis, the Gramercy Emerging Markets Fund has performed favorably versus relevant benchmarks with a 120.55% cumulative return over the past 57 months since April 1999.

December 2003 Inception to Date Performance



Emerging markets finished the year in much the same way as it started, strong. The EMBI+ was up over 3% for the month, finishing out the year up 28.82%. With limited liquidity and little new issuance during the holidays, technicals drove the market quietly north. New money mandates continue to pursue yield with the higher yielding credits such as Venezuela and Ecuador benefiting the most.

With a high volume of new issuance anticipated for 1st quarter 2004, the market remained confident new allocations to the asset class would be sufficient to absorb the supply. Carry plays continue to be the key to this rally while investors wonder just how much higher prices can climb . The contagion effect often experienced across the asset class in years past has been tested and minimized in recent months as the "buy the dip" mentality continues to be rewarded with subsequent price appreciation. Spreads in emerging markets continue to set new all time lows as yield starved investors continue to pursue higher-yielding emerging markets debt. As the global economy

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continues to improve, it would appear that emerging markets will remain positive into 2004.

Latin America

Argentina – Argentine bond prices have bounced off recent lows as a major global creditor group, led by Gramercy, has formally proposed to the market and to Argentina, guidelines to a debt restructuring. This counteroffer to Argentina's Dubai announcement would result in a consensual debt agreement amenable to creditors while maintaining the integrity of Argentina's financial needs. Although these guidelines contrast greatly with those offered by the Argentine administration at the September Dubai meetings, they offer a solution to the situation using many of the same economic assumptions as Argentina proposed in their presentation. The appearance of a change in approach by Argentine authorities gives rise to the possibility that Argentine bond prices may be grossly undervalued. With investors significantly underweight, the reality of a squeeze on asset prices becomes much more probable as the public perception of Argentina's willingness to negotiate a successful debt restructuring appears poised to shift. In spite of its challenges, Argentina's economy continues to experience a significant recovery.

Brazil – Brazil continues to benefit from strong capital inflows and progress on reforms. Although Brazil's fiscal situation has dramatically improved, its financing needs in the coming year remain quite large. In the meantime, tame inflation and solid fiscal efforts position Brazil's economy for continued growth in the near term. High commodity prices have made Brazil an attractive carry.

Venezuela – The main political question as to whether there will be a referendum on the presidency by April 2004 continues to be the driving force in Venezuelan assets. Economic growth continues to normalize from the severe levels reached during the crisis in 1st quarter 2003. A smooth transition into referendum elections in April is quite unlikely as current president Chavez has shown he will go down fighting. Meanwhile, high export revenues, mainly in oil, continue to help the current account and build international reserves.

Eastern Europe / Middle East / Africa

Russia - Russia recouped much of its losses which resulted from the Yukos scandal. If further attacks on the private sector do in fact occur, such politically motivated scandals would present a potential vulnerability to Russia as capital flight lies in the balance. Global commodity prices continue to favor Russia's external and fiscal accounts while GDP growth broadens. President Putin continues to benefit from his high popularity. A ratings upgrade to investment grade by other major rating agencies will be closely monitored as we venture into 2004.

Strategy Review

Gramercy continued to maintain a portfolio of core long positions composed of distressed corporate bonds, whilst being opportunistic on both the long and short side regarding our sovereign bond holdings. In December, we focused our sovereign holdings on Brazil and Venezuela, where we witnessed short term price appreciation as capital inflows continue to chase yield.

Brazil continues to be the asset of choice in the market, motivated by improving fundamentals as reforms push through congress and economic growth takes shape. Venezuela, which stands out on the LATAM yield curve, enjoys the benefit of high commodity prices while the political landscape continues to remain in a state of flux with no clear outcome on the horizon. Both Brazil and Venezuela are intended to be short term plays to be traded opportunistically as we approached the end of 2003 and enter the early days of 2004.

On the corporate side, the corporate restructuring activity slowed down in December due as much to the advanced

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stage of several of our transactions as to the holidays. For example, with initial terms reached for Mexican paper producer Durango and the successful Law 550 vote on Colombian telephony provider Transtel, those two restructurings have moved into the documentation phase. We anticipate the closing of Transtel and a formal term sheet for Durango by the end of January 2004.

Mexican fixed satellite services provider Satmex continued testing on Satmex 5, one of its two remaining operational satellites. The primary propulsion system continues to function normally while the secondary system remains under testing and awaits a diagnostic report from its manufacturer Boeing Satellites Systems. The company was able to renew in-orbit insurance for Satmex 5 in the amount of $80 million which excludes coverage for the propulsion system. Satmex is looking to increase the amount of coverage for the satellite. We anticipate further restructuring negotiations between creditors and Satmex's shareholders to begin in the second half of January 2004.

During December, Gramercy exited its position in the term loans issued by Indonesian glass producer Mulia Glass, realizing a return of 52.5% since entering the position in March and April of 2003. Gramercy had maintained a reduced exposure to the credit through FRNs which was closed out in the new year. Although the steering committee of creditors has reported progress in restructuring negotiations, we felt current price levels fully reflected the present value of expected recoveries under a completed deal.

In early December, representatives from Gramercy and other holders of the Grupo Iusacell Celular 10% Senior Secured Notes due 2004 met with representatives of Grupo Salinas, the new controlling shareholders of Iusacell. The meeting confirmed our view that the new shareholders are not inclined to negotiate in good faith and are actively taking an aggressive posture toward creditors. Gramercy, in cooperation with other holders, is reviewing its options regarding Iusacell, including litigation against the company and its current and former shareholders. Grupo Salinas is already facing scrutiny for its business practices after its U.S. corporate attorneys, Akin, Gump, Strauss, Hauer and Feld, resigned as counsel to the Salinas-controlled television broadcaster TV Azteca in a letter citing possible violations of the Sarbanes-Oxley Act regarding disclosure. It appears that TV Azteca failed to disclose that a special purpose vehicle owned by TV Azteca's controlling shareholder and chairman Ricardo Salinas Pliego, purchased the debt of TV Azteca's mobile telephony subsidiary, Unefon (a competitor to Iusacell) from the original lender at a deep discount and then sold it back to Unefon at a substantial profit. We believe that these events will bring additional attention from the Mexican authorities to the Iusacell restructuring, as a failed restructuring and liquidation of Iusacell would benefit other Grupo Salinas holdings.

In all, 2003 was a solid year for the corporate restructuring side of the portfolio, with a gross contribution to fund performance of approximately 23%. Looking ahead to 2004, we anticipate that the improving economies of the U.S. and Europe as well as strong growth from China will drive higher growth in the emerging markets in 2004. This general economic environment is likely to support corporate credit quality and tighten exit yields on restructurings. Thus, while we anticipate there may be limited new opportunities for distressed investments in the first half of the year, we view it as an excellent time to complete the restructurings in which we are currently involved, and we believe our current corporate positions can provide substantial returns on behalf of the fund. We might also see developments in the corporate sector of Argentina later this year as the sovereign debt restructuring discussions move forward. This may provide new opportunities at attractive levels with a risk profile that is more quantifiable than previously possible, due to the uncertainties of the sovereign default overhanging the market.

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Forward View

2003 was a fantastic year for the emerging market asset class. With capital inflows and prospects for global growth offering ample support to the market, total returns of the asset class were up over 25%.

2004, though not without many risks, appears poised to continue this theme in the near term. Many new money mandates will be sure to come to market as investors continue to diversify their bond portfolios while seeking higher yielding assets. This new capital will meet head to head with several billion of new sovereign and corporate issuance in 1st quarter as countries will look to take advantage of this low interest rate environment.

Without a significant change in the state of nature within or outside the asset class, we expect asset prices to continue to appreciate in the short term. Despite the extreme valuations, global liquidity and low U.S. interest rates should continue to be supportive in the first half of 2004.

Emerging markets continues to prove its resilience in the face of fundamental issues across the asset class, and should continue to do so. A pullback in asset prices would be healthy given the steep appreciation the market has experienced over the last several months, and would be likely met with buying. The U.S. Treasury market will continue to be a driving force influencing emerging market prices and therefore poses one of the inherent risks we see in the latter part of 2004.

As this emerging market rally in 2003 continues into 2004, investors are increasingly forced to render difficult decisions, such as riding long carry positions in order to chase yield, knowing full well that there are potential risks to the asset class which historically impact the market with little or no warning.

Recognizing this quandary and realizing the difficult task in quantifying both the timing and the severity of a possible reversal to the asset class, Gramercy continues to hold its cost-efficient macro hedges as insurance against unexpected market deterioration. An aggressive U.S. Treasury sell-off, U.S. dollar weakness and an over abundance of new issuance are just a few possible catalysts to cause a market shift to the downside. While we will trade more assertively from the long side in sovereigns, we will keep the book fairly balanced in early 2004.

In the longer term, we remain cautious in this market for a number of reasons (listed below). Though perhaps not the most likely scenario, this market clearly has plenty of room for many dramatic surprises which emerging markets has proven chronically susceptible to over the years.

1. Treasuries could provide further shocks to emerging markets. A prolonged phase of Treasury weakness could initiate a short period of asset allocation out of emerging markets. Tightening labor markets in the U.S. could be a catalyst for this to occur in Q2-Q3 2004.
2. U.S. equities – A prolonged and significant rally in U.S. equities could cause an asset re-allocation out of fixed income.
3. The emerging markets have rallied significantly ahead of many additional new mandates. Should this new money fail to materialize in the face of a 2004 calendar full of new issuance, prices are sure to trade off.
4. A slowing of the reform agenda in Brazil could easily send shock waves throughout emerging markets.

We will close out numerous corporate restructurings during 2004 and remain nimble on the sovereigns from both the long and short sides. Along with our cost efficient hedges initiated during October, we believe the Gramercy portfolio is poised for a powerful 2004, regardless of market direction.

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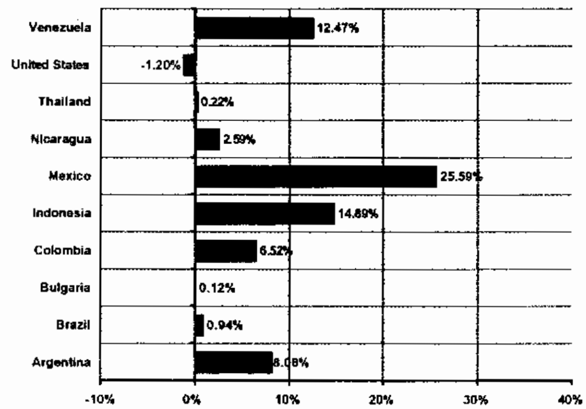
December 2003 Month-end Geographic Market Exposure



Gramercy Updates

In order to help support the development of various emerging economies, Gramercy has initiated an annual grants program in support of EMPower—the Emerging Market Foundation which supports community-based organizations in emerging countries that expand access to education, healthcare, legal rights and economic opportunity. Through this work, EMPower is helping to create the social infrastructure for stronger civil societies, thus enabling more people to participate and benefit from the economic and political changes that have occurred in the developing world.

Finally, please join us for our Quarterly Investor Conference Call on January 21, 2004 at 4:00 PM (ET). If you have not already received the conference call details, please either call us at (203) 552-1900 or email us at admin@gramercyadvisors.com

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